



Leidos Biomedical Research, Inc.

CREDIT CARD PROGRAM AND PROCEDURES

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CREDIT CARD PROGRAM PROCEDURES

INTRODUCTION

To help reduce the burden in procuring items under the simplified acquisition threshold, Leidos Biomed administers a Credit Card Program. This Credit Card program, while not part of the federal IMPAC program, appears and works similarly since the OTS prime contract is based on the Federal Acquisition Regulation (FAR).

The policies and procedures of the Credit Card program are the same as those in the Leidos Biomed Customer Guide, with some exclusions as described in the manual below.

PURPOSE

- These operational instructions are intended to provide Leidos Biomed and other prime contractor employee's guidance in the use of the credit card. Designation of an individual to be a Cardholder and/or Card Approver is a contractor or program prerogative, subject to compliance with the training, certification, or other provisions of this manual.
- The Leidos Biomed Credit Card program is for use by contractor Cardholders and Approvers only. Federal employees may request a Government Purchase Card through their Administrative Officer (AO). Federal employees with a Leidos Biomed point of contact may utilize the contractor representative to make appropriate purchases under their cost centers via the OTS contract.

DEFINITIONS

- Acquisition: a process that begins with the determination of a need of goods or service and includes all required functions directly related to the process of fulfilling the needs.
- Acquisition Departments: the three professional acquisition departments - Purchasing, Research Subcontracts and Construction Subcontracts.
- Leidos Biomed, Inc.: the current OTS Company, and will be referred to as Leidos Biomed for the purposes of this manual.
- Credit Card Coordinator: the Coordinator serves as the focal point for coordination of the issuance and destruction of cards, establishment of reports, and administrative training. This person oversees the program and the established guidelines.
- COR360: the web-based Credit Card reconciliation program used by Leidos Biomed.

- Billing cycle: the effective dates for each month's statement, currently the 6th of each month.
- Billing Cycle Purchase Limit: the spending limit imposed on a Cardholder's cumulative purchases in a given month.
- Card Approver: the Approver should be the Cardholder's immediate supervisor or a higher-level official. No federal employee can be the Approver for a contractor employee.
- Financial Management (FM): the department that receives the official invoice from the bank and is responsible for payment.
- Federal Acquisition Regulation (FAR): set of federal procedures governing all government and federally-funded acquisitions.
- Federal Supply Schedules (FSS): list of supplies, services and equipment for which GSA has negotiated with vendors at stated prices for a given period of time.
- FOB (Free on Board): the point at which title passes to the Leidos Biomedical Research, Inc. and therefore assumes responsibility for the delivered products, and may pay freight.
- Green Purchasing: procurement of products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.
- Internal Audit Department: responsible for auditing all statement of accounts and associated documentation to ensure purchases are contract related, verifying and notifying the Coordinator of any discrepancies to include delinquent reconciliations and paperwork.
- Level I training: the training all prospective Cardholders must receive that allows placing orders up to the micro-purchase threshold.
- List Price: price charged by the vendor to commercial customers/general public prior to any discounts.
- Market Research: the process used to collect and analyze information about the availability of products and services in the entire marketplace to satisfy the minimum needs and to help determine price reasonableness.
- Merchant Codes: categories assigned by the bank categorizing each merchant according to the type of business the merchant is engaged in and the kinds of goods and services provided.
- Micro-Purchase: acquisition of supplies and services not exceeding \$3,000 per transaction.
- Quotation or quote: a statement of price, description of the goods or services, etc. provided as market information for planning purposes and do not constitute an offer that can be accepted as a basis of a binding contract.

- Split Transactions: a transaction or purchase that has been ‘split’ to circumvent single purchase limit of cardholder. Further detail below –

Pursuant to FAR 13.003(c)(2)(ii), requirements aggregating more than the micro-purchase threshold may not be broken down into several purchases less than this threshold merely to avoid any requirement that applies to purchases exceeding the micro-purchase threshold. The definition of a split transaction pertaining to the micro-purchase threshold for the purposes of this program would include the following examples:

- a single cardholder makes multiple purchases from the same merchant on the same day. The total combined purchase amounts exceed the micro-purchase threshold and the total requirement was known at the time of the purchase.
- a single cardholder separates a requirement into two or more buys as means of getting around the micro-purchase threshold.
- a single cardholder makes a transaction to one vendor with multiple order lines for varied requestors and/or budgetary center numbers with a combined total exceeding the micro-purchase threshold.

No Leidos Biomed Credit Cardholder may fragment/split purchases that exceed the micro-purchase threshold as defined in the examples above.

- U.S. Bank: the current bank for the Leidos Biomed Credit Card program.

TRAINING

Prospective Cardholders must attend a training course. The Cardholder and Approver sign the [Terms and Conditions for Use of the Leidos Biomedical Research, Inc. Commercial Credit Card](#) that he/she has been fully trained, understands and will abide by all policies and procedures regarding the card usage prior to receiving the card.

RULES FOR USING THE CREDIT CARD PROGRAM

The Credit Card must be used:

1. Only by the person whose name is embossed on the card
2. For official business only
3. For items or services authorized for purchase by Credit Card

The Cardholder must:

1. Sign the Terms and Conditions up front and annually thereafter
2. Call the Card Approver or the Credit Card Coordinator, not the bank, for inquiries
3. Call the bank to report a lost or stolen card only
4. Assure the funds are available for each purchase made with the Credit Card
5. Receive Reconciliation Program training prior to using the Credit Card

6. Take Green Purchasing Training prior to using the card and every two years thereafter.

OBTAINING A CREDIT CARD

ELIGIBILITY

The Cardholder and the Approver must be contractor employees.

Federal employees with a Leidos Biomed point of contact may utilize the contractor representative to make appropriate purchases under their cost centers via the OTS contract.

Federal employees are not eligible for the Leidos Biomed program but may request a Government Purchase Card through their AO.

STEPS TO OBTAIN A CARD

The Card Approver is responsible for assembling the following requirements and submitting to the Purchasing Department.

- A [Leidos Biomedical Research, Inc. Commercial Credit Card Application](#) form for the individual to be set up as a Cardholder. Note: If the program area does not have an existing Card Approver, a Leidos Biomedical Research, Inc. Commercial Credit Card Application form is also used for the set-up of a new approver.
- A signed [Terms and Conditions for Use of the Leidos Biomedical Research, Inc. Commercial Credit Card for the Cardholder](#).
- A signed [Terms and Conditions for Use of the Leidos Biomedical Research, Inc. Commercial Credit Card for the Approver](#).

The Coordinator submits the application to the bank upon receipt, review and concurrence with Approver's request.

When the Credit Card is received, the Coordinator notifies the Cardholder to schedule the training session for use of the Leidos Biomed Reconciliation Program.

CREDIT CARD DOLLAR LIMITS

Each Credit Card is subject to a Billing Cycle Purchase Limit. Neither Cardholders nor merchants are allowed to exceed the single purchase limit or split the purchase and/or transaction in order to accommodate the Credit Card limit.

To raise or lower any limit the Card Approver must submit the requested change in writing to the Coordinator.

CARD HOLDER FILE DOCUMENTATION REQUIREMENTS

The Cardholder must obtain and maintain the following information:

- Receive a request to buy the goods or services that must be kept as part of the purchase file.
- Verification of available funds for the requested goods or services

The Cardholder must establish a monthly acquisition file to maintain all documents (e.g., charge slips, credit slip, cash register receipts, packing slips, and any dispute form for review by the Card Approver and/or for audit purposes).

CARDHOLDER PROCEDURES

PRIOR TO MAKING A PURCHASE

The Cardholder is responsible for checking with the Card Approver to ensure funds are available prior to making a purchase.

The Cardholder must determine if the Credit Card can be used for the purchase.

UNALLOWABLE PURCHASES ON THE CREDIT CARD

The Credit Card can NOT be used for the following:

- Cash advances - under no circumstances will the Credit Card be used for cash advances through a bank teller or ATM machines
- Materials, supplies, and services requiring prior NCI approval (COA)
- Materials, supplies, and services requiring prior approval of the Laboratory Animal Sciences Program (LASP), Environmental Health & Safety (EHS), the Institutional Review Board (IRB)
- Supplies requiring a signature by a license holder, such as a Veterinarian
- Items identified as unallowable in accordance with OTS prime contract. Examples: decorative and personal effect items such as pictures, picture frames, plants, personalized stationary or greeting cards; food/drink items, meals, medications (except for animals); coffee pots and toasters; paper plates, cutlery
- Hard drives

- Computer Systems, desktop and laptops
- Operating System(s) Software and updates (Windows 7, VISTA, etc.)
- New Software Support or New Software subscriptions
- Portable electric heaters
- Any costs involving a collaborative effort
- Any cost requiring a separate agreement (such as a user license, web order requiring a “click” to agree to their terms and conditions prior to placing order, etc.) without prior approval from Manager, Purchasing
- Costs for items or services delivered to or for any entity not using our center number system
- Sera reserving more than 20 bottles
- Any other item or service intended for personal use, whether the item is provided free by the vendor or not
- Prescription Safety Glasses
- Capital equipment
- Wireless equipment (**must** be handled in accordance with the Wireless Policy in accordance with Administrative Handbook SP D301 for procedure)
- Business cards (Leidos Biomed only) without prior approval
- Radioisotopes
- Microbeta Normalization Standard (must be submitted on PR through Safety)
- DEA controlled substances, Schedule 2, 3, 3N
- Ethanol (190 & 200 proof)
- Rental or lease of motor vehicles, land, or buildings
- Alarm System
- Consultant Services

- A & E Services (design fees, etc.)
- Temporary Help
- Construction
- Incentives or Promotional Items
- Vehicle Operating Expenses – (must go through Fleet Management Services)
- Fuel for Government vehicles
- Equipment repair (must go through Equipment Maintenance Team, Purchasing Department)
- Services usually provided through FME work orders
- Travel expenses (including Metro Fare Card for local travel- Must be submitted on a General Expense Form)
- Registration fees for Conferences or Training - Due to new HHS guidance on travel approval requirements, all events requiring a registration fee are considered a conference or training. **A WEBINAR OR ONLINE TRAINING UP TO THE MICRO-PURCHASE THRESHOLD, CURRENTLY \$3,500; BOTH MUST BE COMPLETED AT YOUR DESK OR ONSITE CONFERENCE ROOM).** All other registrations **must** be submitted to the Travel Department and are not allowable on your P-Card regardless of cost.
- Meals
- Lodging expenses (unless exception granted by Coordinator and documentation is on file in the Purchasing Department)
- I-Pod, MP3 Player or any other type of device where the primary function is to play music files
- Commercial transportation costs, parking fees, i.e. Colonial Parking tickets, etc. (must be submitted on a General Expense Form)
- Facsimile, internet charges or telephone calls, including any business call while away from the office
- Application fees; (Import/Export fees, foreign shipments)
- Goods or Services requiring a ‘Statement of Work’ due to the complexity of the procurement

- All systems furniture (Trendway, Steelcase, etc.)
- Any furniture (including custom made) that requires installation or design fees which must be purchased through the Purchasing Department. If unsure, the Cardholder must check with the Coordinator prior to purchase for allow ability
- Requirements necessitate other than routine terms and conditions
- Requirements are too complex to be conveyed orally
- Prior approval has not been received from the Purchasing Department, if applicable
- Unusual purchases or circumstances are present (contact the Coordinator first)
- Explosives
- Flammable or toxic gases
- Compressed gases
- Flammable liquids
- Flammable solids
- Corrosives
- Any ventilated enclosure requiring (i.e. benchtop, necropsy, anesthesia, powder weighing, robot enclosure, and balance enclosure hoods) (Facility Cardholders only)

Considerations prior to Purchase

- 1) The following is a list of considerations that should be made prior to purchases with the credit card.
 - The Cardholder believes the Government's best interest will be better served by purchasing via the Purchasing Department
 - Check with the Scientific, Publications and Graphics Media (SPGM) department
 - Check with the Property Department for surplus items
 - Purchase Green items made from recycled content products, environmentally preferable products and services, bio based products, and energy- and water-efficient products. For more information, visit <http://training.ncifcrf.gov/GreenTraining>.

- Use small, disadvantaged, woman owned, veteran–owned and HUBZone businesses
- Use My Office Products and Alpha for office supplies.
- Books, which are considered government property, **must be stamped** with Property stamp. Full title and ISBN **must** be entered into the credit card system.
- Memberships must indicate if a journal is part of membership when entering into the Card system. No personal memberships are allowed for Government personnel.

Note for Wireless Equipment: Requests for wireless equipment and/or service **must** be handled in accordance with the Wireless Policy (see Administrative Handbook SP D301 for procedure)

2) Federal Supply Schedules

The Federal Supply Schedule (FSS) program, directed and managed by the General Services Administration (GSA), establishes GSA contracts with commercial companies to provide products and services at stated prices and terms. These prices may be lower and the terms better than offered on the open market.

Some vendors may require proof of eligibility to buy on GSA, and the form entitled *Authorization to Utilize GSA Supply Sources* may be found at <http://ncifrederick.cancer.gov/cad/Media/Documents/GsaAuthorization.pdf> .

3) Determining Price Reasonableness

- 4) The Cardholder is responsible for determining price reasonableness. Micro-purchases may be made without securing competitive quotations or any type of value analysis if the prices are considered reasonable. The Cardholder checks sources to verify a price is reasonable.
- 5) Sufficient Ordering Information. The Cardholder must ensure the supplies or services are described in sufficient detail so the vendors/merchants have a clear understanding of what is being acquired. Some requirements, because of their complexity, may not be suitable for purchase using the Credit Card and therefore may necessitate the use of a written purchase order.
- 6) Over the Counter Purchase. When a purchase is made over the counter, the Cardholder may enter the information into the system after the purchase (same day). The Cardholder must also obtain a customer copy of the charge slip.

PLACING THE ORDER

1. Confirm the vendor accepts a credit card.

If a vendor does not take a credit card, two options exist. A purchase request may be

submitted indicating that the vendor does not accept Credit Cards or the Direct Pay process through the Accounts Payable Department in accordance with the procedure may be used.

2. Tell the merchant the purchase is made under the [MD Sales and Use Tax Direct Pay Permit #3](#). For vendors who will not grant tax exclusion without a certificate, provide a copy of the certificate to the vendor. Request a confirmation number.
3. Provide the following delivery instructions for the shipping label and packing slip:
Leidos Biomedical Research, Inc.
Attn.: Confirmation #/Cardholder Name
1050 Boyles Street
Frederick, MD 21702-1201
The term 'Credit card' or 'Visa'

Delivery to other than Building 1050: the Cardholder is responsible to ensure the vendor is given the appropriate deliver to information to reference on the shipping label and packing slip.

Telephone order for pick-up at a merchant's facility: the Cardholder may designate a staff member to pick up the order. If someone other than the Cardholder picks up the order they should sign as having received the item(s). Their signature is not an approval for the purchase on the credit card but for receipt of the product.

4. Processing a Return of Goods: If an item is delivered that is either defective or is not the correct item, the cardholder must contact the vendor and request a Return Authorization # (RMA). There may be instances where a re-stocking fee is incurred. Once the vendor provides this number, a Request for Shipment Form must be completed via the Shipping Wizard (<http://ncifrederick.cancer.gov/campus/safety/wizard/>). The shipping Wizard will automatically submit a copy of the completed Request for Shipment Form to the Transportation Department. An additional copy must be printed and signed by an individual with budgetary authority. Once signed, a copy of this document must be faxed to the Transportation Department at 6971. The Transportation Department or the Delivery Department will arrange for pick-up of the item to be returned.

Leidos Biomed Reconciliation Program

Allows for the transactions by the Cardholder or designee to reconcile on a daily basis. Transactions are uploaded each business day into the COR360 Reconciliation program. The Program auto generates an e-mail to each card holder who has made a transaction indicating it is available to be reconciled. Projects are not charged with the purchase(s) until reconciliation has occurred.

Reconciliation - The Cardholder receives a monthly statement. The monthly transactions must be processed/reconciled no later than 30 days past the statement date or the transactions are

considered delinquent. The COR360 Reconciliation Program allows daily reconciliation of transactions. The Cardholder is notified via e-mail when transactions are available to reconcile. This allows for immediate reconciliation in lieu of waiting for the statement at the end of the month to reconcile the charge. These procedures include:

- 1) Reviewing each purchase/credit on the statement to verify its accuracy.
- 2) Reconciling the statement (if not previously reconciled).
- 3) When appropriate, process a dispute form by submitting the completed form to the Coordinator.

Sensitive Items - submit *Notification to Property-Sensitive Items* form, if applicable, found at <http://ncifrederick.cancer.gov/cad/Media/Documents/SensitiveItems.docx>.

Maintaining purchase records - Cardholders must maintain a copy of official purchasing records for one year from the end of the contract year in which the transaction occurred, including supporting documentation on file in the program area. (example: if order was placed May 2013, then keep until October 2014).

Monthly statement requirements:

- Submitting documentation:

Receipts, charge slips, order acknowledgments and confirming order information will be uploaded directly into the **COR360 Reconciliation Program** during the reconciliation of transaction.

Only one (1) of the above documents is required per transaction.

*If the cardholder cannot provide **one** of the above defined documents for a transaction on their US Bank Statement of Account, the cardholder **must** contact the vendor and request a copy. Once a copy is received, the transaction can be reconciled in COR360

- Absent Cardholder. If the Cardholder is absent from his/her office for more than 4 days after the statement is received, he/she should notify the Coordinator if no system delegation has been made to another employee in the program area to reconcile the account. A system delegation to an administrative alternate can be made by the Coordinator in the COR360 Reconciliation program. Training would be provided to this alternate as required.

CREDIT CARD ISSUES

- **Billing Errors and Disputes**
- Billing Errors - If credits for returned or canceled items are not on the statement, the customer copy of the credit slip is retained until the transaction appears on the next statement. If these credits do not appear on the next statement, the Cardholder completes a dispute form, attaches a copy of the credit slip and forwards the documentation to the Coordinator **within 60 days** of the original invoice date.

- When an incorrect charge is indicated on the statement, the Cardholder must immediately seek to resolve the problem with the vendor. However, the Cardholder reconciles the current statement as though it were correct since the credit is normally issued on the following month's statement.

If the problem cannot be resolved with the vendor, the Cardholder must contact the Coordinator. The **Cardholder** must then complete and sign the dispute form indicating the nature of the problem (i.e., wrong amount charged, etc.). The completed form with signature is sent to the Coordinator.

A copy of the dispute form is maintained in the Cardholder's official acquisition file.

Disputes - Items in dispute are handled in the same manner as billing errors. The dispute or error is indicated on the Cardholder's monthly statement and a dispute form is completed with signature and forwarded to the Coordinator.

- Disputing Transaction - The completed and signed dispute form is submitted to the Coordinator to resolve any billing issue and/or disputed transaction. All disputes are filed electronically by the Coordinator.

Note: All disputes must be filed with the Bank no later than 60 days after the transaction appears on the statement. Dispute Forms must be sent to the Coordinator prior to the 60-day time frame in order for the invalid charge to be disputed with the Bank.

- Defective Items/Unsatisfactory Services. If items purchased with the Credit Card are found to be defective, or if services purchased are found to be unsatisfactory, the Cardholder has the responsibility to obtain replacement or correction of the items. If the merchant refuses to replace or correct the faulty item, the purchase will be considered to be in dispute. Disputes should be resolved with the vendor first; if no resolution, then submit a dispute form to the Coordinator within the defined time period.

LOST/STOLEN CARDS

Leidos Biomed is not liable for any unauthorized use of the card; however, the Cardholder may be held negligent and administratively accountable to Leidos Biomed if the loss is not reported in a timely manner.

Two notifications are required as listed:

- Telephone Notification: Should the card be lost or stolen, the Cardholder must notify the bank immediately.
- Written Notification: The call to the bank must be followed up with a formal written notice. The Cardholder must also notify the Card Approver, the Coordinator and Protective Services within one workday after discovering that the card is missing. The Card Approver shall submit a written report to the Coordinator within five working days.

The report will include:

- 1) The card number
- 2) The Cardholder's complete name
- 3) The date and location of the loss
- 4) If lost/stolen, date reported to police
- 5) Date and time the bank notified
- 6) Any purchase(s) made on the day the card was lost/stolen
- 7) Any other pertinent information

Card Replacement: A new card is mailed by the bank within two (2) business days of the reported loss or theft. A card subsequently found by the Cardholder after being reported lost or stolen must be cut in half and forwarded to the Coordinator.

CHANGES IN CARDHOLDER STATUS

There are two main reasons for a need to change a Cardholder's status of using the Credit Card. The first is a change in employment status, such as terminating employment with the company or transferring to a different program area. The second is a change due to disciplinary actions necessitated by cardholder actions in violation of the policies and procedures described in this manual.

Separation of Cardholder

- 1) Before a Cardholder transfers to another program, retires, or resigns from Leidos Biomed, the Cardholder must cut the card in two pieces and turn it in to the Card Approver.

The Card Approver forwards the cut up card to the Coordinator, who will cancel the credit card with the bank. The Coordinator maintains updated card information which is shared with FM.

- 2) Cardholders intending to retire or resign from Leidos Biomed should cease using the card 45 days prior to the effective date of their action. If a monthly statement is received and the employee is no longer available to complete the statement, the monthly Bank Statement of Account, Credit Card Order Log Form and appropriate documentation is forwarded to the Coordinator for reconciliation.
- 3) If a Cardholder's employment has been terminated by other than the normal process, the Human Resources Department notifies the Coordinator. The Coordinator will contact the Card Approver of the terminated cardholder within two (2) business days to provide reconciliation assistance. This assistance will include completing the reconciliation of outstanding transactions, acquiring the appropriate vendor

documents and submitting to the Card Approver for final approval/signature. Once the Statement of Account has been approved and signed by the Card Approver, the Card Approver will return the signed Bank Statement of Account to the Credit Card Program Assistant. The signed Statement of Account will be uploaded to Docs for Deltek for the General Accounting Department for review and archive. An unplanned termination may cause an immediate hardship/impact to the Program area, therefore, this reconciliation assistance is completed by the Purchasing Department.

When a Card Approver transfers, retires, resigns, or otherwise leaves the Leidos Biomedical Research, Inc. the monthly statement is signed by the alternate Card Approver. The Coordinator can act as the alternate Approver temporarily until a new Card Approver is established.

CONSEQUENCES OF NOT ADHERING TO CARDHOLDER RESPONSIBILITIES

Failure to adhere to the responsibilities described in this manual may result in suspension or revocation of cardholder privileges. The main actions against which the Three Strikes Policy is reviewed are:

1. Place orders for unallowable items or services
2. Receive personal gain from credit card orders
3. Failure to meet the timeline criteria detailed in this manual for requisite actions
4. Failure to respond to inquiries from the Credit Card Coordinator or designee
5. Allowing someone else to use their credit card

THREE STRIKES POLICY

A Three Strikes Policy has been established as a correction mechanism to ensure Cardholders, and in some instances the Card Approver, focus on compliance with all responsibilities associated with the privilege of participating in the Credit Card Program, not just placing the order.

This process is not based on making an error, rather it is a mechanism intended to correct and ensure future success in meeting Cardholder and approver requirements.

The way it works:

If an action is not completed by the due date, the Cardholder will receive a strike.

The Coordinator may contact the Cardholder informally for clarification or to determine the reason for an action or non-action. If a Cardholder does not respond to an informal request within one (1) business day, a written e-mail request will be sent to the Cardholder. No strike occurs at this stage.

If the Cardholder does not respond to an inquiry from the Credit Card Coordinator within two (2) business days of a written request, the Cardholder will receive a strike.

Note: In some cases, response does not mean the Cardholder has to have all requests completed during this time. For instance, it may often take longer to figure out a problem with the vendor or the end user, but the Cardholder is required to respond to the Coordinator with what they can by the deadline. The Cardholder will then update the Coordinator in the interim indicating what they are doing to meet the request, and give a reasonable timeframe for completing the request.

ACTIONS IF THREE STRIKES ARE ATTAINED

If a Cardholder or Card Approver receives three (3) strikes, their purchasing capabilities will be suspended until all outstanding requirements have been completed.

Once requirements are met, review of the Cardholder's profile/account is made to determine if a pattern of delinquencies and/or issues are noted. If none noted, purchasing capabilities are restored and all strikes are reset. If a pattern is noted, Coordinator will contact cardholder's Card Approver to discuss possible termination of privileges or temporary suspension from the Program. The suspension can range from one to three months, depending upon the situation as determined by the Coordinator.

A Strike is reset one year from the date it was issued. If three Strikes occur within a one year (or less) time frame, the card is subject to suspension.

If the outstanding items are not completed within two (2) weeks, the card will be terminated.

Note: In each status listed above, a notification e-mail will be sent to the Cardholder and the Card Approver when a strike has been made. In the case of a strike given to a Card Approver, the approver's supervisor will be notified.

LEGITIMATE REASONS FOR NON-COMPLIANCE

Of course there are times a legitimate reason exists for non-compliance, especially for unanticipated inquiries or occurrences. The burden is placed on the Cardholder (or the Card Approver in some instances) to inform the Card Approver of known or anticipated errors or inability to carry out their card responsibilities.

As soon as a situation is known, the Cardholder must notify the Card Approver and in some cases as defined in this manual the Credit Card Coordinator. In those cases, the Approver or Coordinator can perform or designate someone to perform those duties. See below for common scenarios.

1. If Cardholders are planning to be out of the office for vacations or planned medical absences, strikes can be totally avoided by simply notifying the Approver and Coordinator of the expected absences. In these instances, plans can be established to handle transactions while the Cardholder is out of the office.
2. For unplanned Medical Bereavement Absences, notice from the Cardholder's Approver can also eliminate strikes.

The Three Strike Program is not intended to penalize the conscientious Cardholder that has simply made a mistake, but rather to keep the Coordinator and other role players from expending unnecessary time and energy on a Cardholder that does not attempt to follow policy. These Cardholders cost the company time and money in tracking and correcting postings and in the worst situations, the cost of writing off expenses to unallowable because of the lack of proper documentation.

LEGAL RAMIFICATIONS OF MISUSE OF CREDIT CARD

There are a few legal ramifications as described below that may ultimately over rule the Three Strikes Policy, as follows:

Use of the credit card by a Cardholder for egregious personal purchases may be a basis for immediate cancellation of the card, possible disciplinary action, and/or possible criminal action.

Use of the card by any individual other than the Cardholder may result in disciplinary action up to and including termination of employment with Leidos Biomedical Research, Inc. In accordance with VISA regulations, the card can ONLY be used by the individual whose name is embossed on the face of the card. Intentional use of this card for unauthorized purposes may be considered an attempt to commit fraud.

Note: If an unauthorized personal purchase is made, the FM Department will bill the employee the full cost of the purchases plus interest and administrative debt collection fees and take all actions necessary to collect the debt including, if necessary, salary offset.

STANDARDS OF CONDUCT

- Ethics. Contractor employees expending public monies hold a public trust. Their conduct must meet the highest ethical standards. All Leidos Biomed employees shall use this card only to purchase supplies and services within the guidelines of this program. Cardholders and Approvers who make false statements on the Credit Card records may be terminated from their position and may be fined, imprisoned, or both, as stated in Section 1001, Title 18 United States Code.
- Procurement Integrity. The Credit Card Program is subject to the same policy and procedures as any procurement made under the OTS contract for the value and items/services.
- No personal gain. Cardholders are not allowed any personal gain from use of federal monies.

Unallowable Example: A vendor has a promotion on copy paper, buy two reams and receive one free bag of coffee beans. The free coffee beans are not an allowable contract cost as well as no employee is allowed personal gain from use of Government monies.

Allowable Example: A vendor has a promotion on copy paper, buy two reams and receive a third ream of paper free. The free paper is an allowable contract cost and there is no personal gain from use of the monies as the free paper can be used by the program area.

ROLES AND RESPONSIBILITIES

Each prospective Cardholder and Approver must verify they have read, understand, and agree to abide by the *Internal Procedures for the Credit Card Program* by signing the [Terms and Conditions for Use of the Leidos Biomedical Research, Inc. Commercial Credit Card.](#) The signed *Terms and Conditions* must be attached to the Request form. The *Terms and Conditions* are re-signed yearly by both Cardholder and Card Approver.

GREEN TRAINING

All Leidos Biomed Cardholders and Approvers must complete Green Training as mandated under Executive Order 13423. New Cardholders are trained by the Coordinator or designee at the time their new card is issued.

All existing Cardholders and Approvers must complete this training every two years. The Coordinator ensures training has been completed by December 31 of the appropriate year. Any Cardholders not completing this training is subject to suspension of the card.

The Coordinator sends notification and the appropriate links to complete this training to all Cardholders and Approvers.

CARDHOLDER RESPONSIBILITIES

- The Cardholder is responsible for the security of the card and will be personally liable for its misuse. If the card is lost (or missing), the Cardholder **must** notify the bank immediately.
- The Cardholder must take training for the reconciliation program prior to using the card.
- The Cardholder must take Green Purchasing training prior to using the card and every two years thereafter.

CARD APPROVER RESPONSIBILITIES

- 1) Requesting the establishment of new accounts, single purchase limits, billing cycle purchase limits, and billing cycle office limits through the Coordinator.
- 2) Reviewing and approving his/her Cardholders' monthly statement and verifying all transactions as valid Leidos Biomed purchases made in accordance with these procedures.

- 3) Assuring the funds are available for all Cardholder's purchases
- 4) The Cardholder must take training for the reconciliation program prior to using the card.
- 5) The Cardholder must take Green Purchasing training prior to using the card and every two years thereafter.
- 6) Serving as liaison with the Coordinator and FM.
- 7) Assisting the Cardholder in resolving disputed payments and, as necessary, recommending to the Coordinator that a Cardholder's card be canceled.
- 8) Assuring that all official purchase records are maintained by the Cardholders and are available for spot audits.
- 9) Providing formal written notice to the Coordinator if a Cardholder's card is lost or stolen.
- 10) Informing the Controller and FM of any problem.
- 11) Assuring every active Cardholder reconciles their statement within the mandated time limit.
- 12) Following up with the Cardholder to ensure timely statement processing.
- 13) If the statement cannot be reconciled in the time limit specified by a Cardholder due to extended leave or illness, the Approver will review the statement and supporting documents, process the statement and forward the documentation in a timely manner along with an explanation of why the Cardholder could not process the statement to the Coordinator.

CONTRACTS AND ACQUISITIONS DIRECTORATE (CAD)

1. Assures all prospective Cardholders and Approvers fully understand all policies and procedures regarding card usage and have them sign the [Terms and Conditions for Use of the Leidos Biomedical Research, Inc. Commercial Credit Card](#) to this effect before they receive a Credit Card.
2. Provides training to all prospective Cardholders and Approvers.
3. Reviews the operation of the Credit Card Program and notifies Cardholders of any errors, or unauthorized purchases.
4. Notifies any Cardholder and Approver of intended suspension of card due to past due accounts or inappropriate usage. A formalized e-mail is sent to the Cardholder and Approver indicating the reason and timeframe for the suspension and all measures necessary for reinstatement. The suspension however, remains suspended until such time all conditions surrounding the suspension have been rectified.

5. The Coordinator serves as the liaison between Cardholders and the bank, as well as between Leidos Biomed and the bank.
6. C&A personnel perform audits on Cardholder orders for allow ability of purchase and property accountability requirements.
7. Requests Cardholder signature copies of receipts from the bank for spot auditing to ensure compliance with procedures
8. Files any dispute that cannot be resolved with the vendor by the Cardholder. Notifies the Cardholder when the dispute has been resolved.

INTERNAL AUDIT

1. The Internal Auditor receives a listing of the monthly master statement from the bank and conducts a review of individual Cardholder purchases, and/or in response to requests from FM, the Coordinator or Card Approver.
2. This review consists of reviewing the official acquisition file(s) of the individual Cardholder's purchases. This review focuses on general adequacy of documentation and compliance with published procedures as well as unauthorized purchases and evidence of improper order splitting.
3. If inappropriate Cardholder purchases are identified, the Internal Auditor notifies the Coordinator, Financial Management, and if necessary the bank, and may initiate administrative action to cancel the card. The Coordinator may recommend other actions, including disciplinary action, as appropriate.

FINANCIAL MANAGEMENT

- Receives a consolidated report of all card balances. The report is considered the billing invoice. Payment is made to the bank according to the Prompt Payment Act provisions for the amount due on the individual Cardholders' statements of transactions.
- Contacts Cardholders and Approvers if disputes remain outstanding more than 60 days.
- Receives all original forms and documentation in order to maintain an auditable file record.